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MANUFACTURING AND TRADE INVENTORIES AND SALES December 2006

INTENTION TO REVISE: Revisions to the Retail and Wholesale adjusted and not adjusted monthly estimates for sales and inventories are scheduled for release on March 29, 2007. Estimates will be revised to reflect the results of the 2005 annual surveys. Manufacturing estimates will be revised at a later date. Revisions to the Retail and Wholesale data will be reflected in the February 2007 Manufacturing and Trade Inventories and Sales release scheduled for April 16, 2007.

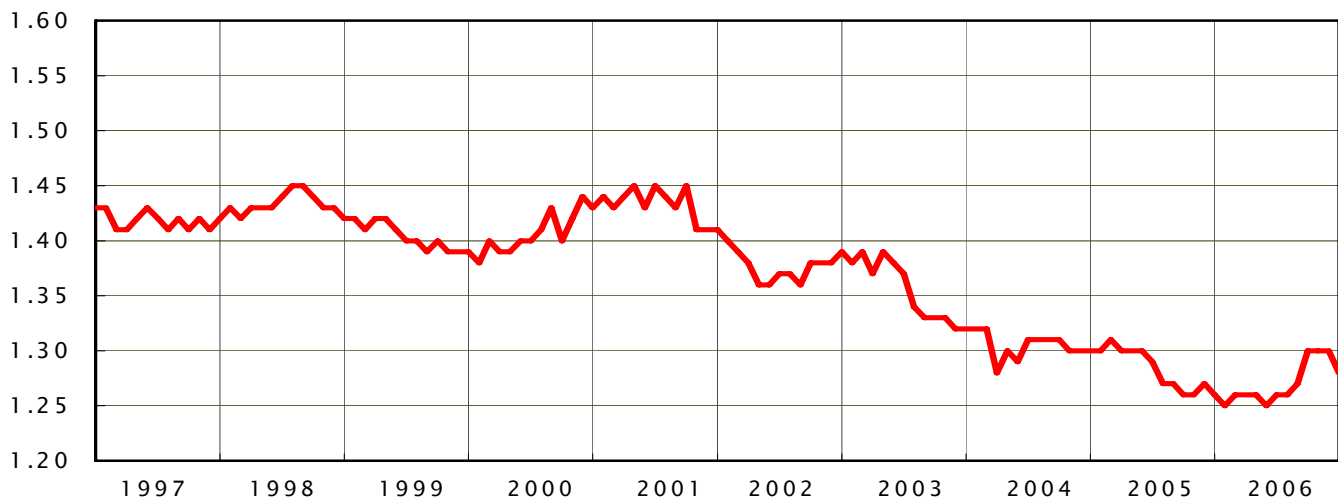
Sales. The U.S. Census Bureau announced today that the combined value of distributive trade sales and manufacturers' shipments for December, adjusted for seasonal and trading-day differences but not for price changes, was estimated at \$1,066.0 billion, up 1.4 percent ($\pm 0.3\%$) from November and up 4.4 percent ($\pm 0.5\%$) from December 2005.

Inventories. Manufacturers' and trade inventories adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$1,366.4 billion, virtually unchanged ($\pm 0.1\%$)* from November and up 6.0 percent ($\pm 0.6\%$) from December 2005.

Inventories/Sales Ratio. The total business inventories/sales ratio based on seasonally adjusted data at the end of December was 1.28. The December 2005 ratio was 1.26.

Total Business Inventories/Sales Ratios: 1997 to 2006

(Data adjusted for seasonal, holiday and trading-day differences but not for price changes)



The Manufacturing and Trade Inventories and Sales Report for January is scheduled to be released March 13, 2007 at 10:00 a.m. EDT.

For information, visit the Census Bureau's Web site at <http://www.census.gov/bussales>. This report is also available the day of issue through the Department of Commerce's STAT-USA (202-482-1986).

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. Estimated Monthly Sales and Inventories for Manufacturers, Retailers, and Merchant Wholesalers
(In millions of dollars)

	Sales			Inventories ¹			Inventories/Sales Ratios		
	Dec. 2006	Nov. 2006	Dec. 2005	Dec. 2006	Nov. 2006	Dec. 2005	Dec. 2006	Nov. 2006	Dec. 2005
	(p)	(r)	(s)	(p)	(r)	(s)			
Adjusted²									
Total business.....	1,066,045	1,051,473	1,021,157	1,366,352	1,366,499	1,289,548	1.28	1.30	1.26
Manufacturers ³	395,927	390,522	394,485	482,124	481,775	452,049	1.22	1.23	1.15
Retailers.....	333,006	329,738	316,267	490,466	488,927	474,907	1.47	1.48	1.50
Merchant wholesalers.....	337,112	331,213	310,405	393,762	395,797	362,592	1.17	1.19	1.17
Not Adjusted									
Total business.....	1,098,322	1,040,156	1,070,976	1,349,034	1,399,701	1,272,573	1.23	1.35	1.19
Manufacturers ³	386,470	383,802	389,752	468,889	482,476	439,763	1.21	1.26	1.13
Retailers.....	386,731	329,175	373,878	483,983	519,428	468,689	1.25	1.58	1.25
Merchant wholesalers.....	325,121	327,179	307,346	396,162	397,797	364,121	1.22	1.22	1.18

See footnotes and notes at the end of Table 3.

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

Table 2. Percent Changes for Sales and Inventories — Manufacturers, Retailers, and Merchant Wholesalers

	Adjusted						Not Adjusted					
	Sales			Inventories			Sales			Inventories		
	Dec. 06/ Nov. 06	Nov. 06/ Oct. 06	Dec. 06/ Dec. 05	Dec. 06/ Nov. 06	Nov. 06/ Oct. 06	Dec. 06/ Dec. 05	Dec. 06/ Nov. 06	Nov. 06/ Oct. 06	Dec. 06/ Dec. 05	Dec. 06/ Nov. 06	Nov. 06/ Oct. 06	Dec. 06/ Dec. 05
Total business.....	1.4	0.5	4.4	0.0	0.2	6.0	5.6	-1.7	2.6	-3.6	1.0	6.0
Manufacturers.....	1.4	0.2	0.4	0.1	0.2	6.7	0.7	-3.7	-0.8	-2.8	-0.3	6.6
Retailers.....	1.0	0.5	5.3	0.3	-0.4	3.3	17.5	3.4	3.4	-6.8	1.9	3.3
Merchant wholesalers..	1.8	0.9	8.6	-0.5	1.1	8.6	-0.6	-4.2	5.8	-0.4	1.3	8.8

Table 3. Estimated Monthly Retail Sales, Inventories, and Inventories/Sales Ratios, By Kind of Business
(In millions of dollars)

NAICS Code	Kind of Business	Sales			Inventories ¹			Percent Change In Inventories			Inventories/Sales Ratios		
		Dec. 2006 (p)	Nov. 2006 (r)	Dec. 2005 (s)	Dec. 2006 (p)	Nov. 2006 (r)	Dec. 2005 (s)	Dec. 06/ Nov. 06	Nov. 06/ Oct. 06	Dec. 06/ Dec. 05	Dec. 06	Nov. 06	Dec. 05
	Adjusted ²												
	Retail trade, total.....	333,006	329,738	316,267	490,466	488,927	474,907	0.3	-0.4	3.3	1.47	1.48	1.50
	Total (excl. motor veh. & parts).....	255,405	252,892	242,116	334,121	332,128	320,096	0.6	0.2	4.4	1.31	1.31	1.32
441	Motor vehicle & parts dealers.....	77,601	76,846	74,151	156,345	156,799	154,811	-0.3	-1.6	1.0	2.01	2.04	2.09
442,3	Furniture, home furn., elect. & appl. stores.....	19,482	19,315	17,957	31,113	31,212	30,472	-0.3	-0.5	2.1	1.60	1.62	1.70
444	Building materials, garden equip & supplies.....	29,283	29,090	28,568	46,905	47,394	46,446	-1.0	-0.9	1.0	1.60	1.63	1.63
445	Food & beverage stores.....	46,626	46,328	44,189	34,427	34,464	33,690	-0.1	-0.2	2.2	0.74	0.74	0.76
448	Clothing & clothing access. stores.....	18,225	18,035	17,177	47,446	46,366	42,455	2.3	1.9	11.8	2.60	2.57	2.47
452	General merchandise stores.....	47,343	46,760	44,763	75,934	75,559	73,775	0.5	0.3	2.9	1.60	1.62	1.65
4521	Dept. str. (excl. leased depts.).....	17,801	17,719	17,825	37,183	37,040	37,558	0.4	0.6	-1.0	2.09	2.09	2.11
	Not Adjusted												
	Retail trade, total.....	386,731	329,175	373,878	483,983	519,428	468,689	-6.8	1.9	3.3	1.25	1.58	1.25
	Total (excl. motor veh. & parts).....	314,673	260,753	302,761	325,145	361,956	311,501	-10.2	1.6	4.4	1.03	1.39	1.03
441	Motor vehicle & parts dealers.....	72,058	68,422	71,117	158,838	157,472	157,188	0.9	2.6	1.0	2.20	2.30	2.21
442,3	Furniture, home furn., elect. & appl. stores.....	27,185	21,243	25,389	30,895	35,238	30,259	-12.3	3.7	2.1	1.14	1.66	1.19
444	Building materials, garden equip & supplies.....	25,294	27,860	25,499	45,263	45,830	44,867	-1.2	-1.9	0.9	1.79	1.65	1.76
445	Food & beverage stores.....	51,543	46,400	49,303	35,156	36,270	34,441	-3.1	2.3	2.1	0.68	0.78	0.70
448	Clothing & clothing access. stores.....	31,617	19,510	30,440	43,698	51,142	39,059	-14.6	1.5	11.9	1.38	2.62	1.28
452	General merchandise stores.....	70,010	51,861	66,982	72,459	89,595	70,253	-19.1	3.6	3.1	1.03	1.73	1.05
4521	Dept. str. (excl. leased depts.).....	30,617	21,249	30,965	35,064	45,337	35,267	-22.7	4.3	-0.6	1.15	2.13	1.14

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

¹ Inventories are on a non-LIFO basis as of the end of the month.

² Adjusted for seasonal variations and, in the case of sales, for trading-day differences and holiday variations. Concurrent seasonal adjustment is being used to adjust all sales, shipment and inventory estimates. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-12-ARIMA program. The factors derived from the program are applied to the current and previous month estimates and for retail and wholesale estimates a year ago as well. For retail sales, concurrent seasonal adjustment is also used to adjust the advance estimates (published one month before the preliminary estimates) and the estimates one year before the advance month. This explains the revision to retail estimates from a year ago.

³ Manufacturers sales refer to the value of shipments by manufacturers. The shipments data from individual manufacturers are adjusted prior to tabulation for the number of trading days as well as for any variations in the length of the reporting period.

Note: U.S. and group totals include kinds of business not shown. The Manufacturing and Trade Inventory and Sales estimates are based on data from three surveys: the Monthly Retail Trade Survey, the Monthly Wholesale Trade Survey, and the Manufacturers' Shipments, Inventories, and Orders Survey. The sampling variability for retailers and merchant wholesalers can be used to construct a 90 percent confidence interval for the estimates. Over all possible samples, 90 percent of such intervals will cover the true estimate. These intervals are given in parentheses for the estimates on the front page. If, for example, the estimate is up 0.8 percent and the margin of sampling error is ± 1.2 percent, the 90 percent confidence interval is -0.4 percent to +2.0 percent. If the range contains 0, it is uncertain whether there was an increase or decrease. Measures of reliability for Retail and Wholesale sales and inventory levels and changes are included in the detailed monthly press releases for those industries. Manufacturers do not contribute to estimates of sampling variability because the manufacturer's mail panel is not a probability sample from a known frame and standard errors of the industry estimates cannot be calculated. Estimates from all three surveys are also subject to nonsampling errors, which can arise in any stage of the survey. Such errors include coverage error (failure to accurately represent all population units in the sample) response errors, coding errors, and nonresponse. Although no direct measurement of these errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data to minimize their influence.